INVESTMENTS AND THE MARKET

News and Notes of Active Companies—Their Financing, Operations, Developments, Extensions, Dividends, and Future Plans

The first dividend declared on the common stock of Steel Company of Canada, last week, one of 4 per cent., was a surprise to the market, which presumably expected only 3 per cent.

The company's directors apparently drafted with considerable care the wording of the statement announcing the dividend. "In view of the earnings of the company," said the official statement, "it was felt that some distribution of profits to the ordinary shareholders might be made, but the board in so doing has not decided upon the establishing of a regular dividend policy, and desire to record that the question of future distributions must depend upon the future earnings and prospects of the company, and must be left for the conditions of another year to determine. A conservative policy has been followed in view of the exceptional conditions prevailing in the iron and steel trade, as well as having in mind the very heavy capital expenditures which the company has undertaken."

Thinks it is 8 per Cent. Basis.

Despite this fact, there appears to be a disposition in several quarters to regard the present payment as a declaration of an 8 per cent. dividend policy. This view is expressed, for example, in the columns of one of our contempories as follows:—

"We have gone very closely into this matter, and we are convinced that this week's declaration actually means that the stock now is on an 8 per cent. annual basis, and we are also convinced that the next payment will be for a period of three months (quarterly, in fact) and will be 2 per cent. or at the rate of 8 per cent. per annum."

Vice-President Says "Distribution."

In briefly discussing with *The Monetary Times*, last week's dividend declaration, Mr. Cyrus Birge, vice-president of the company, said: "It was not a dividend; it was a distribution." The attitude of the company's vice-president reflected the general tone of the company's official announcement last week and *The Monetary Times* is inclined to think that to assume this 4 per cent. payment on common as the placing of the stock upon an 8 per cent. basis, is not correct.

The Steel Company of Canada is well managed and is enjoying an excellent volume of business, but that it will follow a properly conservative policy is made clear throughout the official statement issued last week.

Future Position Paramount.

This is again quoted:—

"At their meeting the directors authorized additional plant appropriations and considered the question of extensions which will be incumbent upon the company to undertake in order to place it in a position to realize to the fullest the benefit from the expenditures and extensions already made, and also having regard to the necessity of putting the operation of the company on the basis of the lowest possible cost of production to meet the competition which is inevitable when adjustment of trade conditions takes place. The directors consider it essential that the future position of the company should be regarded as paramount, and with a view to the conditions which may arise after the war are to be commended in following a policy which will place the company on the soundest possible footing.

"It is also felt that the bonded debt of the company, which has been considered by some as heavy compared with other companies, should be reduced, as has been the policy of the large steel interests of the United States under existing circumstances. The shareholders will no doubt agree with the directors that a conservative policy is the wisest course to follow, and by building up the company on a firm foundation place it in a position of greater security for the realization of future expectations."

The stock market apparently obtained 1 per cent. more than it expected this time, and is allowed plenty of scope for guessing as to when and how much the next distribution will be.

Dominion Steel Corporation.—The redemption of the company's $3,400,000 6 per cent. 5-year notes will probably be effective to-day.

Canada Steamships Lines, Limited.—Negotiations have been completed for the chartering of 15 steamships at higher rates for ocean service for the year 1917.

Seneca Superior Silver Mines.—This company, as forecasted in *The Monetary Times*, declared a dividend of 5 per cent. to shareholders on record at close of business on December 5.

Walter Bentley, Limited.—The company is offering 100 preferred common shares, par value $100, for sale. This Niagara Falls company intends opening a United States factory and further extending their business.

Canadian General Electric Company.—The directors of the Canadian General Electric have declared a dividend of 2¾ per cent. for the quarter, which will make 8 per cent. for the year. The regular dividend since 1907 has been 7 per cent. In 1912 and 1913 an extra bonus of 1 per cent. per annum was paid.

Dominion Steel Corporation.—A director stated after the recent meeting, that the chief business was the announcement of the sale of the entire steel output of the corporation for the year 1917. This means more than the selling of the 1916 output, since the capacity of practically all the mills has been increased.

Goodyear Tire and Rubber Company of Canada, Limited.—The company's report for the year ended September 30, as compared with the previous return, is as follows:—

	1916.	1915.
Gross earnings	$3,446,682	$2,370,914
Net earnings	419,522	323,981
Surplus	354,128	235,136

Guelph Junction Railway.—At the quarterly meeting of the Guelph Junction Railway Board, the dividend from the road for the last three months was paid. The city of Guelph received $11,260, being at the rate of 6⅝ per cent. of Guelph's investment in the company. The condition of industrial life is reflected in the earnings of this road, which taps most of the manufacturing plants. The present is expected to be the best year in the history of the road.

Canadian Pacific Railway Company.—A Spokane despatch states that Mr. D. C. Corbin, president and builder of the Spokane International Railway, announced that negotiations with Lord Shaughnessy, of the Canadian Pacific, had resulted in that company and the Minneapolis, St. Paul and Sault Ste. Marie jointly purchasing the road from Mr. Corbin and his associates. The road runs from Spokane to Eastport, Idaho, on the international boundary, there connecting with the Canadian Pacific Railway.

Canadian Car and Foundry Company.—The most important contract the Canadian Car and Foundry Company have yet arranged in Canada is said to be practically completed with the imperial munitions board. This contract, it is stated, is for forgings to be supplied to various munitions plants that will be carrying out shell contracts, and it is understood that the total value of the present contract is approximately $14,000,000. This will be carried out by the Canadian Steel Foundry, the subsidiary of the Canadian Car and Foundry Company, in its forgings department and will require almost the entire capacity of the present plants for the whole of 1917.

Montreal Transportation Company.—Control of the shares of this company has been purchased by Mr. L. L. Henderson and associates. At a meeting of the directors Mr. Henderson was elected president and managing director, with Mr. A. A. Wright, of Toronto, vice-president and treasurer. The other directors are Messrs. Farquhar Robertson, Abner Kingman, A. G. Thomson, A. Ogilvie and H. A. Calvin.

This company is the oldest Canadian steamboat company operating on the Great Lakes and St. Lawrence River. The company has extended its operations to the Atlantic coast and West Indian ports and was the first lake company to place vessels in this service. At present the company has a large steamer building at Collingwood.